



City of Loma Linda Official Report

Robert Christman, Mayor
Stan Brauer, Mayor pro tempore
Floyd Petersen, Councilmember
Robert Ziprick, Councilmember
Rhodes Riggsby, Councilmember

COUNCIL AGENDA: July 25, 2006

TO: City Council

VIA: Dennis R. Halloway, City Manager *WJH*

FROM: W. James Hettrick, Director of Information Systems *WJH*

SUBJECT: Request for Approval of a Supplemental Appropriation to Cover the Remaining Costs of the Allied Telesis Network Equipment that Missed Shipping Deadline for FY 2006/2007.

RECOMMENDATION

It is recommended that the City Council approve the requested Supplemental Appropriation for the Allied Telesis Core Network Equipment in the amount of \$322,360.74. Funding would be reappropriated into the Technology Systems account for the Loma Linda Connected Community Program.

BACKGROUND

In April 2006, the Information Systems Departments placed an order for Allied Telesis Core Network Equipment. This equipment was budgeted and encumbered on April 18, 2006, as part of the long term staging of the Network Core. The equipment is necessary to complete the Network Core for the LLCCP. It was anticipated that the Purchase Order would be fulfilled, and paid in the FY 2005/2006. Due to unforeseen manufacturing and FCC licensing delays, the equipment can not be shipped until September. As a result of the goods not being received by June 30, 2006, it will be necessary to report as a continuing appropriation and include in the note disclosures of the financial statements... Therefore, it is necessary to request a Supplemental Appropriation for the remainder of the unfulfilled Purchase Order.

ANALYSIS

Allied Telesis is a proven and trusted vendor of the City. Over the past several years, the company has delivered ordered equipment in a timely manner. They are our primary vendor for the electronic equipment that we utilize in the LLCCP network.

This equipment is essential to the LLCCP core we are in the process of bringing to the homes at KB, and the apartments at Barton Vineyard, an estimated total of 525 prospective customers. In addition, we are starting services for the Loma Linda University Medical Center, Loma Linda University and the Loma Linda Academy. This equipment is essential to be able to complete transition to this level of service.

ENVIRONMENTAL

Neither the Allied Telesis Core Network Equipment nor the Supplemental Appropriation is subject to the California Environmental Quality Act (CEQA) in that the documents do not meet the statutory definition of a "project". The CEQA Guidelines Section 15378 broadly defines a project as the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

FINANCIAL IMPACT

The original funding for the purchase of the Allied Telesis Core Network Equipment in the amount of \$322,360.74 was approved as part of the Budget for FY 2005/2006 and will be reappropriated out of LLCCP fund balance into Technology Systems account 40-5900-8845 for FY 2006/2007 Budget.